

# Consolidation Option Overview

**Joint Appropriations Subcommittee  
on Natural and Economic Resources**

**March 16, 2011**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

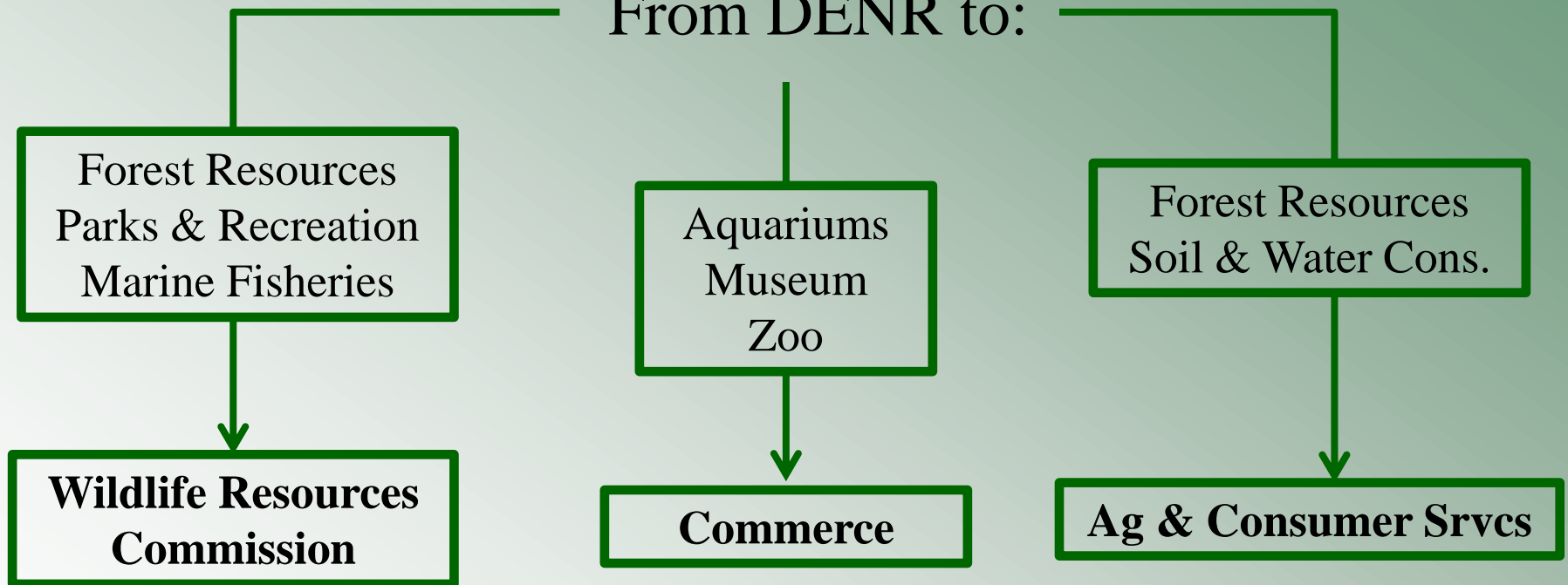
# Acronyms

DACS	Dept. of Agriculture & Consumer Services
DENR	Dept. of Natural Resources
WRC	Wildlife Resources Commission
DFR	Division of Forest Resources
DPR	Division of Parks & Recreation
DMF	Division of Marine Fisheries
DSWC	Division of Soil & Water Conservation

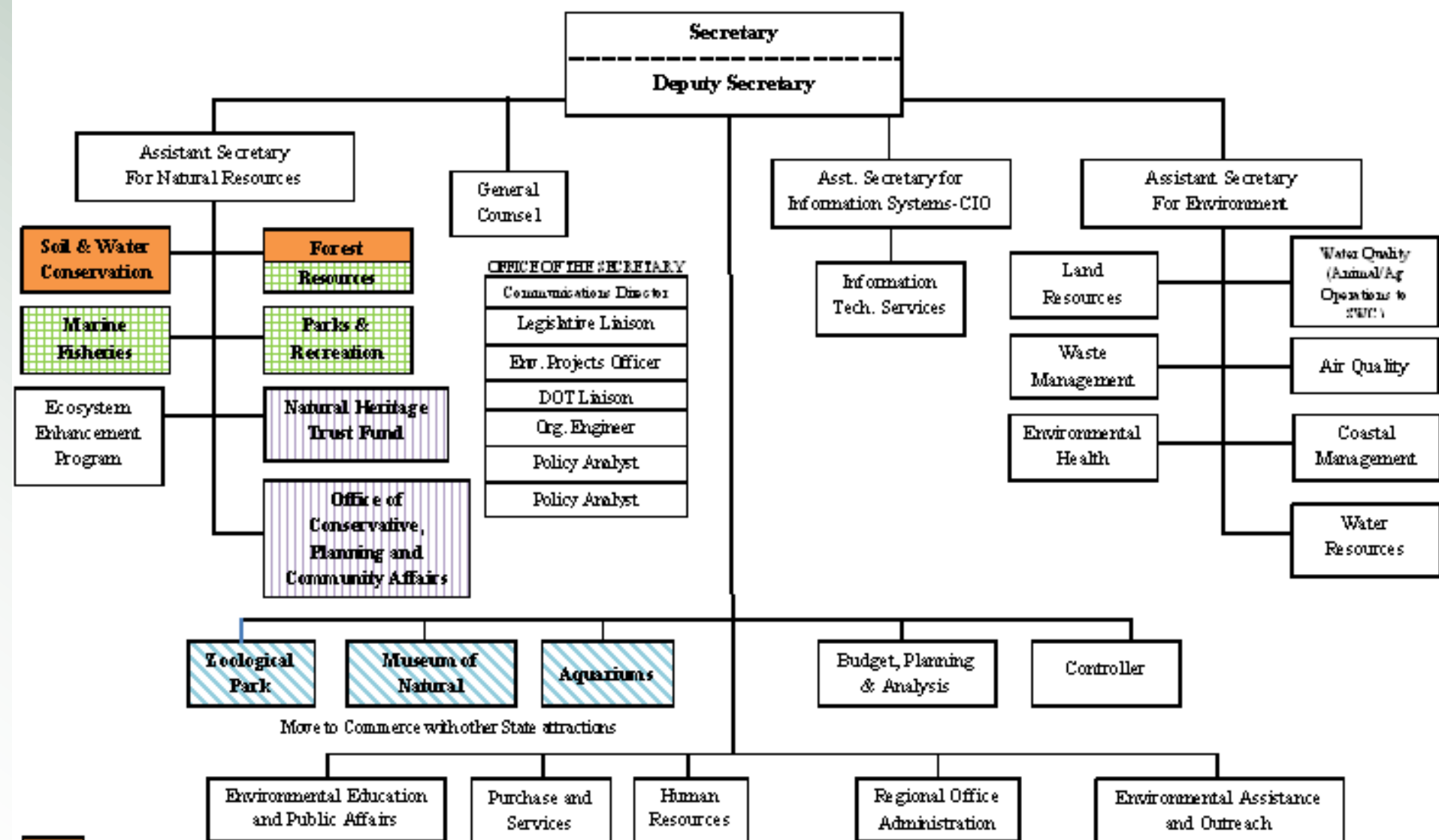
# DENR

## *Mergers & Consolidations*

From DENR to:



# North Carolina Department of Environment and Natural Resources Organizational Chart



- Move to Ag
- Move to WRC
- Move to Commerce
- Leave in DENR or move ??

# Dept. Budget Impact

FY 2011-12 General Fund

	Before	After	Change
DENR	\$ 188,972,401	\$ 57,821,922	Less: Aqm DFR MNS DMF Zoo DPR DSWC
DACS	\$ 61,754,014	\$ 113,421,493	Add: DFR DSWC
WRC*	\$ 21,500,000	\$ 108,931,423	Add: DFR DPR DMF
Commerce	\$ 38,907,381	\$ 70,780,574	Add: AQM Zoo MNS

\* WRC does not receive General Fund; a portion of WRC's funding comes from a direct transfer from the Sales Tax

# Management Considerations

- Need to revise:
  - Budget Structure in IBIS
  - Security for all systems
  - OITS billings
  - Telephone systems
  - E-Mail accounts
  - Contracts & Purchase orders
- Need to Transfer:
  - Cash
  - Positions in Beacon
  - Fixed Assets
  - Federal Grants
  - Grants to local entities
  - Contracts & Purchase orders
- Need to Reassign:
  - Purchasing cards
  - Travel Cards
  - Motor fleet vehicles

# Other Considerations

- Current staffing levels
  - Esp. central staff – HR, Budget, Controller, Purchasing, etc.
- Salary equity issues
- Physical space/ location
  - Availability
  - Cost of reconfiguring
  - Cost of moving
- IT compatibility issues
- Issues around organizational culture, communication, staff morale, etc...
- Wildlife Resources Commission and “User-pay” model

# Central Staffing\*

	DENR	DACS	WRC	Commerce
Fiscal Mgmt <i>(Budget, Controller, Purchasing, etc)</i>	52	24	15	17
Human Resources	15	11	6	6
Information & Technology Services	120	17	20	7
	<b>186</b>	<b>52</b>	<b>41</b>	<b>30</b>

In DENR, larger division have some fiscal mgmt., HR staff that process/ prepare documents but central staff oversee/ finalize work.

*Central staff are generally not assigned to specific divisions;  
they are assigned to specific functions*

\* Estimated based on Division FTE



# Attractions to Commerce

## **Aquariums**

FY 2011-12

General Fund: \$9.56 M

FTE: 132.75



## **NC Zoo**

FY 2011-12

General Fund: \$12.34 M

FTE: 270.25



North Carolina Zoo

## **Museum of Natural Sciences**

FY 2011-12

General Fund: \$9.97 M

FTE: 139.99



# Attractions to Commerce

## Pro

- Ability to leverage Commerce's marketing talent
- Long-term potential of consolidating all State attractions/tourist sites within one agency that also handles tourism marketing

## Con

- Limited marketing staff at attractions = limited savings
- Attractions are aligned with DENR's, not Commerce's, mission/ goals
- Commerce's efforts are designed primarily to drive out-of-state visitors to NC; attractions market to visitors already within NC
- Limited experience within Commerce in operating attractions/ facilities.
- No overlap in skill/ programs between Commerce and Attraction
- Need for a seamless transition so as to not disrupt care of living organisms
- Potential for costs increases (ex: need for new admin. staff at Commerce)

# Attractions – Other Options

*Assuming other Natural Resource divisions move...*

- Move to another State agency:
  - Cultural Resources
  - Wildlife Resources
- Spin-off into private nonprofits
  - Provide state support through direct grants in aid

*Need to Fully Evaluate Options*

Study options during the interim and phase-in in FY 2012-13

# DSWC Overview



## **Soil & Water Conservation**

FY 2011-12

General Fund:	\$11.85 M
FTE:	58

### **Major Programs**

#### Water Quality/ Conservation Program

Ag Cost Share Program, Soil Surveys,  
Non-point Source programs, Watershed Assistance

#### Animal Waste Programs

Animal Waste Pilot, Lagoon Conversion, Swine Buyout

#### District Operations

Coordinate/ assist local SWC districts

# DSWC to DACS

## Pro

- Similar agency objectives
- Areas of potential overlap:
  - Administrative functions
  - Public Affairs
  - Farmland Preservation/conservation easements
- Often serve the same clientele
- Both support a voluntary, incentive based approach to conservation

## Con

- No specifically duplicative programs
- Natural resource mission more closely aligns with DENR's environmental quality mission than Ag's mission to promote/ enhance Ag
- DSWC provides an agricultural perspective in regulatory decisions \*
- Less access to "environmental" funding mechanism (ex: EPA 319 grants)
- Benefit of DSWC access to the internal deliberations of the regulatory divisions
- Potential to disrupt current working relationships

# DSWC to DACS

## Pro

## Con

- Loss of capacity to act as a buffer between the regulatory divisions and the agriculture community
- Programs add balance to DENR's approach
- Perception concerns
  - Already thought to be Ag focused
  - Alienate non-traditional partners
- Potential (real or perceived) for reduction in non-ag services (stormwater, sedimentation)
- Huge workload to change all MOUs (96 districts, CREP, PL56 Dams, etc.)



# DFR Overview



## **Forest Resources**

FY 2011-12

General Fund:     \$39.82 M

FTE:                     671.72

## **Major Programs**

### Forest Protection

Wildfire Control, Law Enforcement,  
BRIDGE, Aviation, Forest Health

### Forest Management

Tech Asst., Nurseries, Forest Development, Forest  
Stewardship, Urban/ Community Forestry

### Safety, Planning, & Analysis

Forest Inventory/ Analysis, Smoke Management, GIS

# Merger Fast Facts

	DFR	WRC	DACS
Land Managed (acres)	> 52,000	> 2 million	~ 20,000
Educational Facilities	7	4	-
Law Enforcement FTE	✓	✓	-
Foresters	✓	✓	✓
Firefighters	✓	✓	-
Engineering FTE	✓	✓	✓
Aviation Programs	✓	✓	-
Emergency Response Duties	✓	✓	✓



# DFR to WRC

## Pro

- Potential for significant operational efficiencies/ savings
- Similar Programs/ Overlap:
  - Land & Timber management/sales
  - Forest planning/ Technical asst.
  - Equipment: Forest, Aircraft, etc.
  - Nursery programs
  - Educational programs/ outreach
  - Prescribed burning outreach
  - Urban forest programs
  - Law enforcement programs
  - Office & maintenance facilities
  - Administrative functions

## Con

- 4 of 5 divisions that manage resources are in DENR encouraging a closer relationship;
- DFR provides non-regulatory check/ balance to other parts of DENR
- Name recognition
  - Forestry is large manufacturing business in NC, concern about loss of name recognition with move

# DFR to WRC

## Pro

- Both focus on working lands
- Both work with present-use value programs
- Excellent working relationship with WRC's foresters
  - Plans to jointly manage a planned acquisitions
- DFR's Forest lands are enrolled in WRC's Game Lands program
- Already partner in Forestry Stewardship

26

# of States with  
Forestry in Natural  
Resource agency

## Pro (cont...)

- Ability to leverage and optimize funding from public & private sources
- Potential to improve outdoor recreation & resource conservation
- Access to NC Wildlife Mag to promote Forestry programs

# DFR to DACS

5

# of States with  
Forestry in Ag

## Pro

- Compatible missions & constituents
- Work closely on:
  - Emergency response
  - Insect & invasive species mgmt.
- Both focus on:
  - working lands protection
  - minority land owners
- Ability to enhance forestry marketing
- DFR equipment/ expertise/ nurseries will benefit DACS' existing land mgmt. activities
- Potential efficiencies in administrative functions

## Con

- Limited duplication of service
  - Limited potential for savings
- 4 of 5 divisions that manage resources are in DENR encouraging a closer relationship;
- DFR provides non-regulatory check/balance to other parts of DENR
- Name recognition
  - Forestry is large manufacturing business in NC, concern about loss of name recognition with move

# DPR Overview

## **Parks & Recreation**

FY 2011-12

General Fund:	\$30.90 M
FTE:	519.50



## **Major Programs**

### State Park Operations

Educational Programs, Trail/ Building  
Maintenance, Law Enforcement,  
Land Management

### Grant Programs

Recreational Trails, Land & Water  
Conservation Fund Grants,  
Adopt-a-Trail

### Parks & Recreation Trust Fund

State Parks, Grants, Coastal Beach Access

# Merger Fast Facts

	DPR	WRC
Land Managed (acres)	> 208,000	> 2 million
Recreational Facilities	32 State Parks 7 State Lakes 4 Recreation Areas	4 Education Centers 65 Public Fishing Areas 207 Boat Facilities
Law Enforcement FTE	✓	✓
Maintenance FTE	✓	✓
Focus of Mgmt:	“Non-consumptive” Recreation	“Consumptive” Recreation

# DPR to WRC

## Pro

- Potential for significant operational efficiencies/ savings
- Similar Programs/ Overlap:
  - Land management responsibilities
  - Engineering design/staff
  - Law enforcement personnel
  - Biological staff
  - Capital project coord. & engineering
  - Facility mgmt./ maintenance services
  - Heavy equipment/ vehicles
  - Educational programs/ outreach
  - Administrative functions
- Ability to leverage/ optimize funding
- Potential to improve outdoor recreation & resource conservation

## Con

- Reduced access/ assistance from other areas within DENR
- Different missions
  - DPR: Manage for public visitation
  - WRC: Manage for wildlife
- Potential for conflict between constituent groups



# DMF Overview



## Division of Marine Fisheries

### Major Programs

#### Coastal Habitat

Shellfish Programs, Habitat Protection  
Plans, Permit Review

#### Fisheries Management Plans

Marine Fisheries Commission, Interstate  
Councils/ Commissions, Research & Analysis

#### Licenses & Permitting

Commercial & Recreational Fishing Licenses,  
Permits, Administer CRFL Projects

#### Enforcement

Land, Water, and Air patrol of coastal fishing  
waters, fishing piers

### Marine Fisheries

FY 2011-12

General Fund: \$16.71 M

FTE: 239.00

# Merger Fast Facts

	DMF	WRC
Scope of Issues	Inter-jurisdictional	Within NC
Focus of Mgmt:	Recreational & Commercial	Recreational
License Sales	✓	✓
Law Enforcement FTE	✓	✓
Permit Review	✓	✓
Aviation FTE/ Equipment	✓	✓



# DMF to WRC

## Pro

- Potential for significant operational efficiencies/ savings
- Similar Programs/ Overlap:
  - License sales
  - Equipment (boats, vehicles, aircraft
  - Law enforcement personnel, dispatch & equipment
  - Habitat section/permit review
  - Permit issuance and compliance
  - Biological staff
  - Educational programs & outreach
  - Administration of endowment funds
- Ability to leverage /optimize funding
- Potential to improve outdoor recreation & resource conservation in NC

## Con

- Distinctly different missions
  - DMF – conflicting constituencies, inter-jurisdictional issues
  - WRC – recreational only constituency, all within NC
- IT issues/ database mgmt. concerns
- Coastal Habitat Protection plans
- Concerns about changes to current administrative process:
  - Importance of rule-making
  - Need for Proclamation authority
  - Focus on data collection